

Maryland's Small Group Market

Summary of Carrier Experience
for the year ending
December 31, 2008*

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**Updated on September 17, 2009*

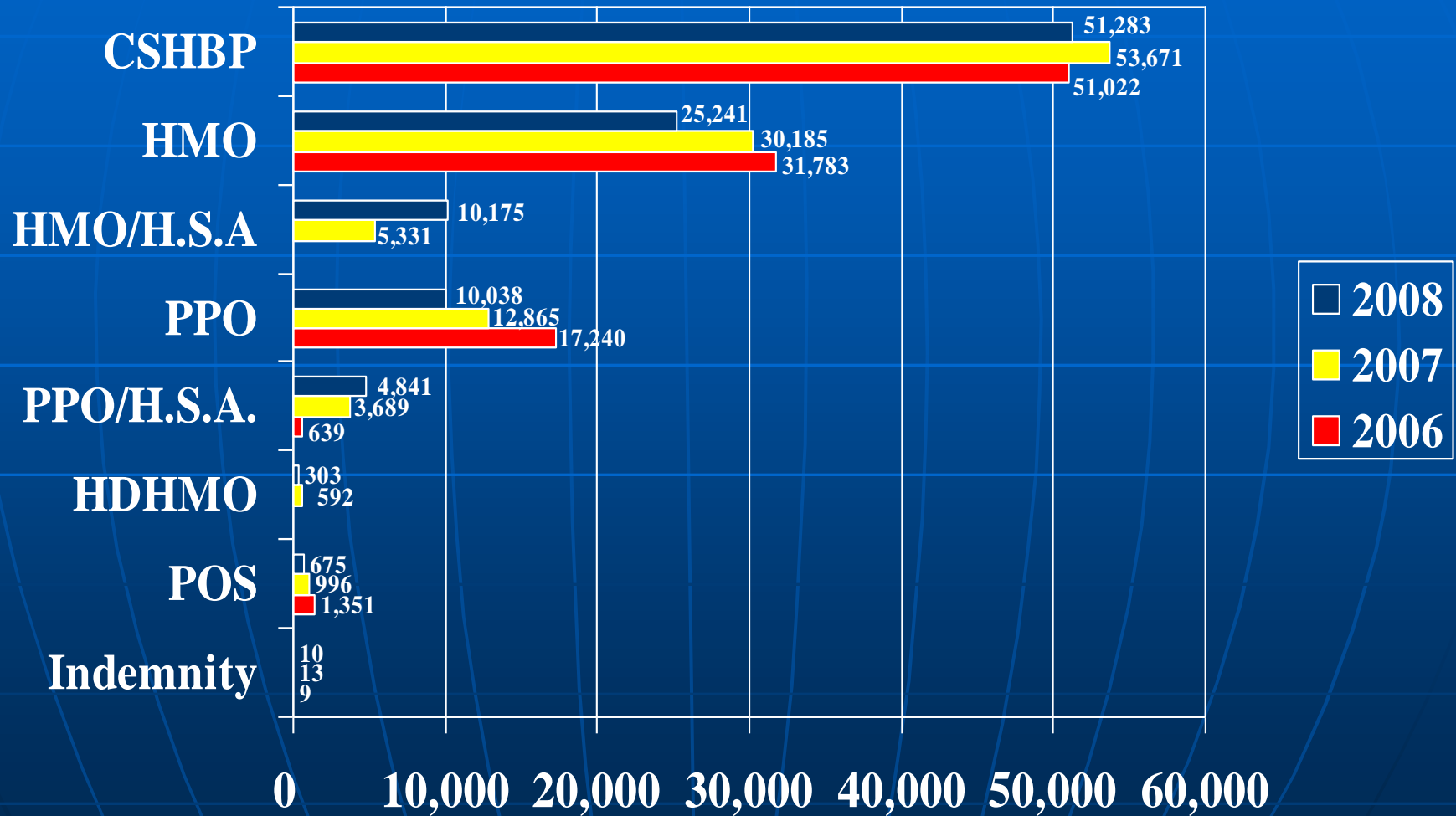
Data from Carrier Surveys

- Number of Lives Covered
- Enrollment by Age & Geography
- Number of Employer Groups
- Number of Policies
- Premiums Earned
- Claims Incurred
- Loss Ratios

Comprehensive Standard Health Benefit Plan: Basic Provisions

- Guaranteed issue and guaranteed renewal
- No pre-existing condition limitations*
- Modified community rating, adjusted only for age, geography, family composition
- Benefits may be **improved** but not reduced
- Plan has floor and ceiling
 - **Floor** – equivalent of federally qualified HMO*
 - **Ceiling** – average premium without riders cannot exceed 10% percent of average annual wage (estimated at \$49,497)

CSHBP Employer Groups By Plan Type 2006 - 2008



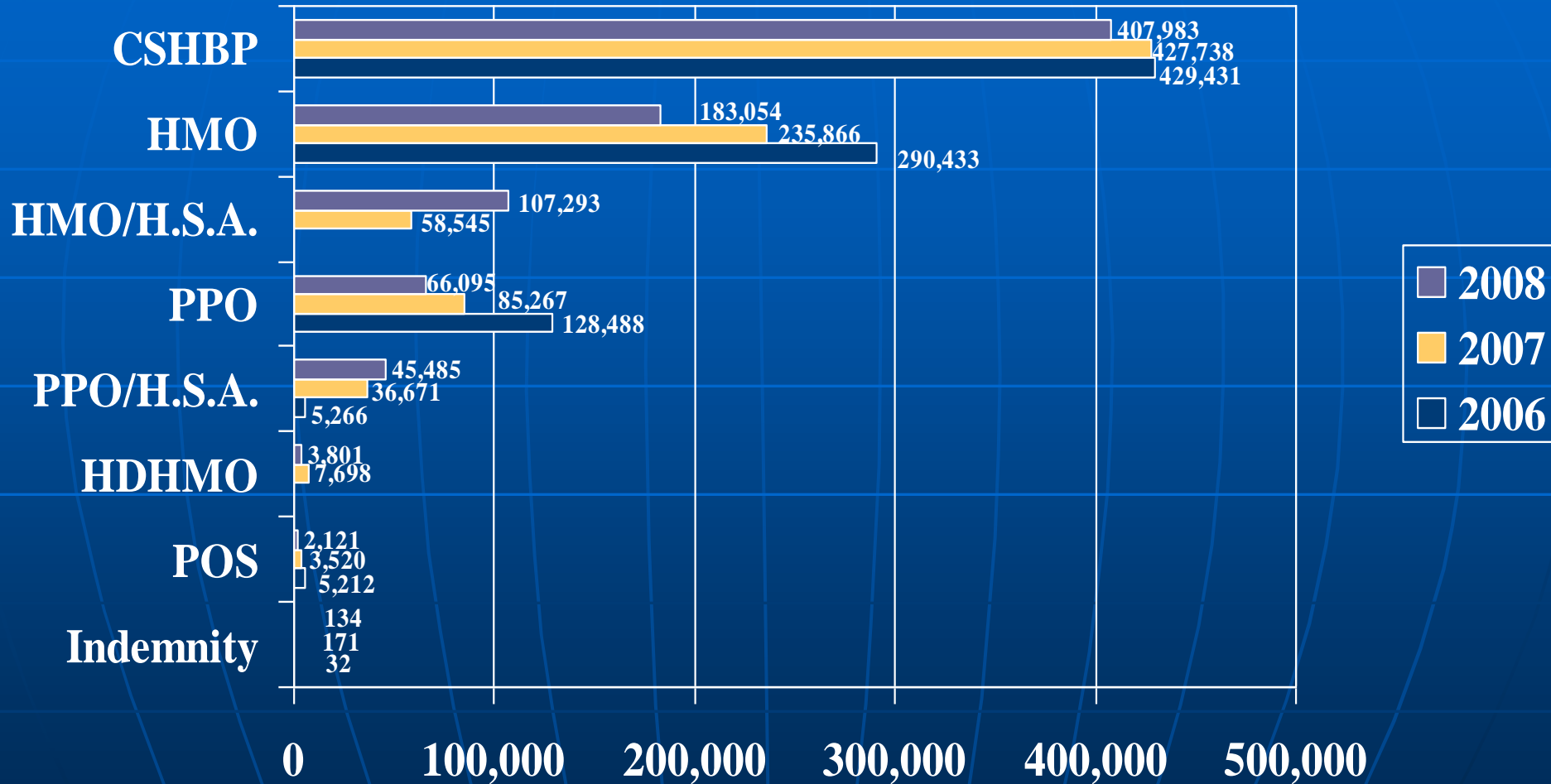
Small Businesses Participating in CSHBP

2006 - 2008

	DLLR's Estimated Number of Small Businesses	Groups Participating in CSHBP	Percentage Participating in CSHBP
2006	129,094	51,022	39.5%
2007	129,532	53,671	41.4%
2008	129,519	51,283	39.6%

CSHBP Covered Lives By Plan Type

2006 - 2008



Enrollment by Policy

2006 - 2008

<i>Policy Type</i>	<i># Change '06-'07</i>	<i>% Change '06-'07</i>	<i>#Change '07-'08</i>	<i>% Change '07-'08</i>
Employee Only	(140)	- 0.09%	(7,514)	- 4.9%
Employee Plus One	(513)	- 0.76%	(3,792)	- 5.7%
Family	(1,040)	- 0.50%	(8,449)	-4.1%

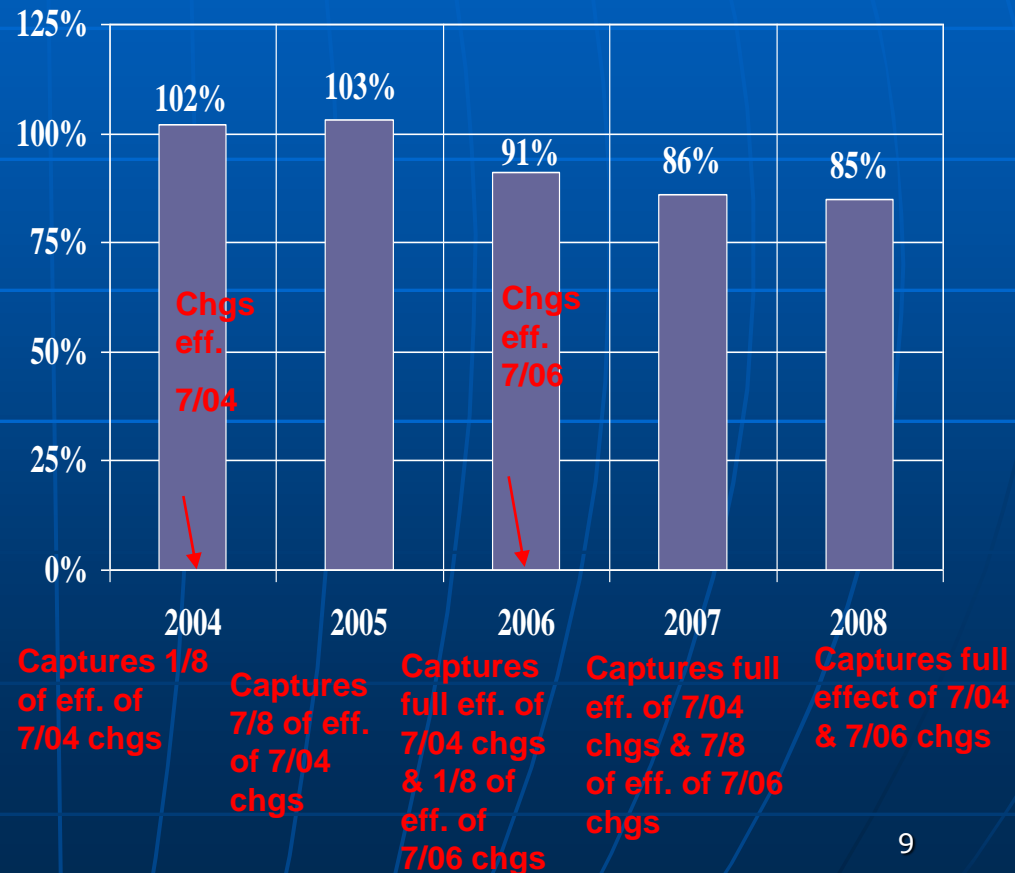
Enrollment by Age, 2006 – 2008

Age Bands	Year	Employees Enrolled	% Change
16-25	2008	26,445	- 10%
	2007	29,269	- 2%
	2006	29,902	
26-35	2008	52,978	- 4%
	2007	55,338	0%
	2006	55,340	
36-45	2008	54,795	-7%
	2007	58,995	- 3%
	2006	60,678	
46-55	2008	54,849	- 4%
	2007	56,999	+ 2%
	2006	55,949	
56-65	2008	33,256	- 1%
	2007	33,535	+ 2%
	2006	32,844	

Cost of the CSHBP (without riders) in Relation to Cap 2004 – 2008

Average Cost/Employee Avg. Wage

- Avg. Cost/Employee *decreased* almost 1% from '06 to '07 (\$4,208 v. \$4,167) then *increased* almost 1% from '07 to '08 (\$4,167 v. \$4,201)
- Avg. Annual Wage increased approx. 4.5% in 2007 but *increased only 2.6%* from 2007 to 2008



Average Premium: 2006 - 2008

HMO

		Employee only	% Change	Family	% Change
HMO – Core (No deductible)	2008	\$3,444	+ 10%	\$9,130	+ 9%
	2007	\$3,133	+ 9%	\$8,384	+ 10%
	2006	\$2,883		\$7,616	
HMO – w/riders	2008	\$4,993	+9.5%	\$13,235	+ 8%
	2007	\$4,560	+ 17%	\$12,204	+ 19%
	2006	\$3,889		\$10,275	

Average Premium: 2006 - 2008

PPO – updated Sept 2009

		Employee only	% Change	Family	% Change
PPO – Core (\$2,500/ \$5,000 separate med & R/x deductible)	2008	\$2,874	+ 4.6%	\$7,882	+ 5.4%
	2007	\$2,748	+ 13%	\$7,477	+ 16%
	2006	\$2,433		\$6,470	
PPO - w/riders	2008	\$6,743	+ 6%	\$18,492	+ 7%
	2007	\$6,348	+ 27%	\$17,271	+ 30%
	2006	\$4,999		\$13,296	

Average Premium: 2008 v. 2007

HMO/H.S.A.

		Employee only	% Chg	Family	% Chg
HMO/H.S.A. – Core (\$2,700/\$5,450 combined med/surg & Rx deductible)	2008 2007	\$1,738 \$1,021	+70%	\$4,687 \$2,689	+ 74%
HMO/H.S.A. - w/riders	2008 2007	\$2,366 \$1,490	+59%	\$6,381 \$3,924	+ 63%

Comparable 2006 data not available

Average Premium: 2006 - 2008

PPO/H.S.A. – updated Sept 2009

		Employee only	% Chg	Family	% Chg
PPO/H.S.A. – Core ((\$2,700/\$5,450 combined med/surg & Rx deductible)	2008	\$2,279	+26%	\$6,062	+ 25%
	2007	\$1,801	- 2%	\$4,855	+ 21%
	2006	\$1,841		\$4,010	
PPO/H.S.A. - w/riders	2008	\$3,304	+ 36%	\$8,789	+ 35%
	2007	\$2,422	+5.5%	\$6,529	+ 30%
	2006	\$2,296		\$5,000	

Average Premium: 2008 v. 2007

HDHMO

		Employee only	% Chg	Family	% Chg
HDMO – Core (\$2,500/ \$5,000 separate med & Rx deductible)	2008 2007	\$ 634 \$ 541	+17%	\$1,510 \$1,374	+ 10%
HDHMO – w/riders	2008 2007	\$1,086 \$ 747	+45%	\$2,587 \$1,898	+ 36%

HDHMO available since July 1, 2007.

Loss Ratio by Plan Type with riders, 2006 - 2008

	2006	2007	2008
CSHBP	79.6%	80.1%	81.6%
HMO/HSA	-	78.5%	82.5%
HMO	79.2%	81.2%	82.8%
PPO/HSA	72.9%	75.7%	77.5%
PPO	80.8%	79.3%	80.0%
HDHMO	-	51.7%	59.5%

Number of “Combined Carriers” by Plan Type with Covered Lives 2006 - 2008

	2006	2007	2008
HMO	5	5	5
HMO/H.S.A.	N/A	4	5
HDHMO	N/A	2	2
PPO	6	6	6
PPO/H.S.A.	3	4	4
Indemnity	4	4	4
POS	1	1	1
Total # of Carriers*	8	8	8

*Total number of carriers is less than the sum in each year across all delivery systems because some carriers are in multiple delivery systems.

“Combined Carrier” Percentage of Business 2006 - 2008

% of Total Business	Number of “Combined Carriers”		
	2006	2007	2008
70% & above	0	1	1
60% - 70%	1	0	0
50% - 60%	0	0	0
40% - 50%	0	0	0
30% - 40%	0	0	0
20% - 30%	1	0	0
10% - 20%	1	2	2
Less than 10%	5	5	5
Total	8	8	8